

Medicaid in North Carolina

Annual Report State Fiscal Year 2003

Division of Medical Assistance



nc department of health and human services

Michael F. Easley
Governor

Carmen Hooker Odom
Secretary

Gary H. Fuquay
Director

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Michael F. Easley, Governor
Carmen Hooker Odom, Secretary

Gary H. Fuquay, Director

Dear Fellow North Carolinians:

I am pleased to present the North Carolina Medicaid Annual Report for State Fiscal Year 2003.

With the economy still in deep recession, it was an extremely challenging year for all of the state governments throughout the nation to sustain their Medicaid programs at existing levels. As the North Carolina SFY 2003 budget was being formulated, our legislature was faced with an estimated shortfall of \$1.6 billion. Since state appropriations for the North Carolina Medicaid Program during the previous year were approximately \$2 billion out of a total state budget of \$14 billion, the Medicaid program was under tremendous scrutiny. Fortunately, when the last vote was cast, an appropriation of \$2.2 billion was authorized, meaning that over a million North Carolinians would continue to receive the same level of health care insurance coverage they had in the previous year.

In order to continue to offer our citizens accessible, quality health care it was vital to sustain our on-going cost containment efforts and to expand them under new initiatives. The legislature mandated a variety of cost-saving measures, particularly through the elimination of provider reimbursement rate increases, prescription drug utilization management and the expansion of the Community Care managed care program. Additionally, the dedicated staff of the N.C. Medicaid program took a variety of steps to improve the administration and management of the program.

I invite you to read this report in its entirety in order to gain better insight into the N.C. Medicaid program and its many challenges and accomplishments during the year.

Sincerely,

Gary H. Fuquay, Director

Mission Statement



The mission of the Division of Medical Assistance is to manage the Medicaid program efficiently so that cost effective health care services are available through enrolled providers to all eligible persons across the state.

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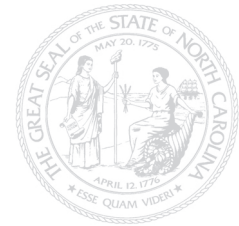
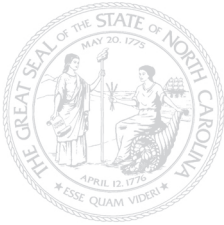


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